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Approved For Release 2002/09/03 : CIA-RDP61S00750A000200020038-5

MEMORANDUM FOR: Director of the Bureau of the Budget
SUBJECT: Reexamination of CIA's Reimbursement Practices

1. On September 23, 1954 I informed the State Department, in connection with the USIA survey report, that this Agency in cooperation with the Department and the Bureau of the Budget was undertaking a re-examination of the method of financing State's NIS program by CIA. The attached report stemming from that reexamination endeavors to treat the subject of reimbursement as comprehensively as possible in order to cover our other reimbursement practices and to provide guidance in the conduct of this aspect of our fiscal affairs.

2. The Department of State has officially concurred in the report. This agency has informally consulted with the intelligence agencies of the Army, Navy and Air Force to ascertain whether the extent of their interest in certain aspects of the report were deemed sufficient to require their concurrence or comment. They have replied in the negative. Representatives of the Bureau of the Budget with whom my representatives have been in consultation on this matter have stated that while they see no objection to the report from the Bureau's point of view they were not in a position to concur in it.

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3. I have approved the report and am requesting my staff to be guided by the principles and conclusions of the report unless you have objections.

Alternative 3. I have approved the report. I would appreciate your concurrence or comment in the report to whatever extent you feel appropriate. In the absence of any comment I would expect this Agency's affairs in this regard to be governed by the principles and conclusions of this paper.

ALLEN W. DULLES
Director

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